IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re application of: :
    Olaseni B. Duro-Emanuel *et. al.*   :
                                      :

Conf. No.:   6554   : Group Art Unit: 3696
                                        :

Appln. No.:   10/645,060   : Examiner: William E. Rankins
                                        :

Filing Date: August 21, 2003   : Attorney Docket No.: 101612-5026US
                                        :

Title: TERM NOTE PAIRED WITH A MONEY MARKET NOTE

APPELLANTS' BRIEF UNDER 37 C.F.R. § 41.37

This Brief is in furtherance of the Notice of Appeal filed in the above-identified patent application on January 26, 2011. This Appeal Brief is being timely filed on or before the initial deadline of March 26, 2011.

The Director is hereby authorized to charge any required fees, including the appeal brief fee under 37 C.F.R. § 41.20(b)(2) and any extension fees under 37 C.F.R. § 1.17(a), or credit any overpayments in connection with this submission to Deposit Account No. **50-0310** (Billing No. 101612-5026).

I.   REAL PARTY IN INTEREST

The real party in interest is BARCLAYS CAPITAL INC., the assignee of record.

II.   RELATED APPEALS AND INTERFERENCES

Appellants are not aware of any other appeals or interferences that will directly affect, or

be directly affected by, or have a bearing on the Board's decision in this appeal.

III.   STATUS OF CLAIMS

The status of the claims is as follows upon filing of this Appeal Brief:

Claims pending: 35-42, 51-66, 70-75

Claims previously cancelled: 1-34, 43-50, 67-69

Claims rejected: 35-42, 51-66, 70-75

Claims objected to: None

Claims withdrawn from consideration but not cancelled: None

Claim allowed: None

The claims on appeal are 35-42, 51-66, and 70-75. A copy of the text of the claims

involved in the appeal is attached as an appendix immediately following this Brief.

IV.   STATUS OF AMENDMENTS

No amendments are outstanding. Appellants filed the Notice of Appeal on January 26,

2011, after receiving a Final Office Action dated October 27, 2010. The claims have been at

least twice rejected.

V.   SUMMARY OF CLAIMED SUBJECT MATTER

A. Independent Claim 35

The claimed subject matter of claim 35 is a system that includes memory operable to store at least one program; and at least one processor communicatively coupled to the memory.[1] The program, when executed by the processor, causes the processor to perform a method that includes providing liquidity to a financial transaction in which a term note and a money market note are issued by, upon receiving a payment for principal of the term note, crediting the payment to principal of the money market note if the principal of the money market note is not fully credited, and crediting the payment to principal of the term note if the principal of the money market note is fully credited, wherein the term note and the money market note have a same credit risk rating.[2]

B.   Independent Claim 51

The claimed subject matter of claim 51 is a system that includes memory operable to store at least one program; and at least one processor communicatively coupled to the memory.[3] The program, when executed by the processor, causes the at least one processor to perform a method that includes providing liquidity to a financial transaction in which a term note is issued and a money market note is held, wherein the money market note and the term note have a same credit risk rating, and wherein a payment for principal of the term note is credited to principal of the money market note if the principal of the money market note is not fully credited and the

---

[1] See Appellants' published specification, paragraphs [0018], [0019] and [0024].

[2] See Appellants' published specification, paragraph [0040].

[3] See Appellants' published specification, paragraphs [0018], [0019] and [0024].

payment for principal of the term note is credited to principal of the term note if the principal of

the money market note is fully credited.[4]

C.   Independent Claim 59

The claimed subject matter of claim 59 is a system that includes memory operable to

store at least one program; and at least one processor communicatively coupled to the memory,

in which the at least one program, when executed by the at least one processor, causes the at least

one processor to perform a method that includes providing liquidity to a financial transaction in

which a money market note is issued and a term note is held, wherein the money market note and

the term note have a same credit risk rating, and wherein a payment for principal of the term note

is credited to principal of the money market note if the principal of the money market note is not

fully credited and the payment for principal of the term note is credited to principal of the term

note if the principal of the money market note is fully credited.[5]

D.   Independent Claim 70

The claimed subject matter of claim 70 is a computer readable storage medium having

stored thereon computer executable instructions that, when executed on a computer, configure

the computer to perform a method that includes providing liquidity to a financial transaction in

which a term note and a money market note are issued by, upon receiving a payment for

principal of the term note, crediting the payment to principal of the money market note if the

principal of the money market note is not fully credited, and crediting the payment to principal of

---

[4] See Appellants' published specification, paragraph [0040].

[5] See Appellants' published specification, paragraphs [0018], [0019], [0024] and [0040].

the term note if the principal of the money market note is fully credited, wherein the term note and the money market note have a same credit risk rating.[6]

E.   *Independent Claim 71*

The claimed subject matter of claim 71 is a computer readable storage medium having stored thereon computer executable instructions that, when executed on a computer, configure the computer to perform a method that includes providing liquidity to a financial transaction in which a term note is issued and a money market note is held, wherein the money market note and the term note have a same credit risk rating, and wherein a payment for principal of the term note is credited to principal of the money market note if the principal of the money market note is not fully credited and the payment for principal of the term note is credited to principal of the term note if the principal of the money market note is fully credited.[7]

F.   *Independent Claim 72*

The claimed subject matter of claim 72 is a computer readable storage medium having stored thereon computer executable instructions that, when executed on a computer, configure the computer to perform a method that includes providing liquidity to a financial transaction in which a money market note is issued and a term note is held, wherein the money market note and the term note have a same credit risk rating, and wherein a payment for principal of the term note is credited to principal of the money market note if the principal of the money market note is not fully credited and the payment for principal of the term note is credited to principal of the term note if the principal of the money market note is fully credited.[8]

---

[6] See Appellants' published specification, paragraphs [0018], [0019], [0024] and [0040].

[7] See Appellants' published specification, paragraphs [0018], [0019], [0024] and [0040].

[8] See Appellants' published specification, paragraphs [0018], [0019], [0024] and [0040].

G.   *Independent Claim 73*

The claimed subject matter of claim 73 is a computer-implemented method that includes providing liquidity to a financial transaction in which a term note and a money market note are issued by, upon receiving a payment for principal of the term note, electronically crediting the payment to principal of the money market note, using a computer, if the principal of the money market note is not fully credited, and electronically crediting the payment to principal of the term note, using the computer, if the principal of the money market note is fully credited, wherein the term note and the money market note have a same credit risk rating.[9]

H.   *Independent Claim 74*

The claimed subject matter of claim 74 is a computer-implemented method that includes providing liquidity to a financial transaction in which a term note is issued and a money market note is held, wherein the money market note and the term note have a same credit risk rating, and wherein a payment for principal of the term note is electronically credited to principal of the money market note, using a computer, if the principal of the money market note is not fully credited, and the payment for principal of the term note is electronically credited to principal of the term note, using the computer, if the principal of the money market note is fully credited.[10]

I.   *Independent Claim 75*

The claimed subject matter of claim 75 is a computer-implemented method that includes providing liquidity to a financial transaction in which a money market note is issued and a term note is held, wherein the money market note and the term note have a same credit risk rating, and wherein a payment for principal of the term note is electronically credited to principal of the

---

[9] See Appellants' published specification, paragraphs [0018], [0019], [0024] and [0040].

[10] See Appellants' published specification, paragraphs [0018], [0019], [0024] and [0040].

6

money market note, using a computer, if the principal of the money market note is not fully

credited, and the payment for principal of the term note is electronically credited to principal of

the term note, using a computer, if the principal of the money market note is fully credited.[11]

VI.   GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

Whether claims 35-42, 51-66 and 70-75 fail to comply with the written description

requirement under 35 U.S.C. § 112, first paragraph.

VII.   ARGUMENT

Whether the rejections under 35 U.S.C. § 112, first paragraph, are improper:

All matters of novelty and non-obviousness have been long resolved in this application.

Further, the claims, being directed to computer systems that include memory and a processor, a

computer-readable storage media and a computer-implemented method, have been found to

comply with 35 U.S.C. § 101. See, e.g., *Interim Guidance for Determining Subject Matter*

Eligibility for Process Claims in View of Bilski v. Kappos, July 27, 2010 (factors weighing

towards eligibility include, e.g., whether a "machine implements the claimed steps"); *Interim*

Examination Instructions for Evaluating Subject Matter Eligibility Under 35 U.S.C. § 101,

August 24, 2009 (a non-transitory, tangible computer readable storage medium qualifies as a

manufacture); see also *Research Corporation Technologies, Inc. v. Microsoft Corporation*, 627

F.3d 859 (Fed. Cir. 2010). (finding that claim language requiring a "high contrast film," "a film

printer," "a memory," and "printer and display devices" supported the conclusion that the claims

qualify as patentable subject matter under 35 U.S.C. § 101). Thus, the only issue that remains on

appeal is whether the claims meet the requirements of 35 U.S.C. § 112, first paragraph.

In the October 27, 2010 Office Action, the Examiner rejected all pending claims under 35

U.S.C. § 112, first paragraph. With regard to claims 35 – 42 and 51 – 66, the Office Action states

---

[11] See Appellants' published specification, paragraphs [0018], [0019], [0024] and [0040].

that "nowhere in the specification is there a representation of a system comprising memory and at least one processor as recited in claim 35 and similarly recited in 51 and 59". (October 27, 2010 Office Action, p. 5). With regard to claims 70-72, the October 27, 2010 Office Action fails to articulate any reason for its rejection. However, the previous Office Action states, with regard to claims 70 – 72, that "the specification contains no support for the computer executable instructions which provide liquidity to a financial transaction by crediting a term note or money market note based on the money market note being fully credited or not. No mention is made in the specification regarding who or what determines whether the money market note is fully credited." (July 7, 2010 Office Action, p. 5 – 6). With regard to claims 73-75, the October 27, 2010 Office Action provides no rationale for its rejection (and, because these claims were newly added, they were not addressed in any previously Office Action).

Appellants respectfully submit that all pending claims comply with 35 U.S.C. § 112, first paragraph. "The subject matter of the claim need not be described literally (i.e., using the same terms or in haec verba) in order for the disclosure to satisfy the description requirement." *See* M.P.E.P. § 2163.02. Instead, the specification must show that the applicant was in possession of the claimed invention. *See* M.P.E.P. § 2161.01. Further, the written description requirement *does not require* that the specification describe or define claim limitations known to those of ordinary skill. *See* M.P.E.P. § 2163.02 (quoting *Ralston Purina Co. v. Far-Mar-Co., Inc.*, 772 F.2d 1570, 1575 (Fed. Cir. 1985) ("The test for sufficiency of support in a parent application is whether the disclosure of the application relied upon 'reasonably conveys to the artisan that the inventor had possession at that time of the later claimed subject matter.'")).

Applying these principles to the present case, while the specification does not use the terms "computer", "memory", "processor", "computer readable storage medium", or "computer executable instructions", this clearly is not dispositive of the issue, as the subject matter of the claim need not be described literally in the specification, or using the same terms.

Additionally, the inventors were in possession of the claimed invention when the application was filed, as evidenced by the detailed description of how the method of providing liquidity is carried out, as well as the reference to the fact that the collecting and crediting steps can be performed electronically, and data relating to the notes is stored electronically. *See* page

4, lines 16-20 ("A 'collection' is a receipt of a payment from a payor. The collection represents a transfer of money, but the transfer does not necessarily, literally, involve a movement of cash. The transfer may be represented by a journal entry, which in turn, <u>may be represented in an electronic format</u>, e.g., an <u>electronic funds transfer</u>."); page 4, lines 22-25 ("A 'credit' is an allocation of money to, or for the benefit of, an entity. In practice, the credit need not be an actual movement of cash, but may be represented by a journal entry for an account, which in turn, <u>may be represented in an electronic format</u>."); page 5, lines 12-17 ("Money market note 130 and term note 140 are financial securities. As such, they <u>may be embodied</u> in a tangible form, such as a certificate, <u>or in an electronic form, such as a data record or file associated with an account</u>. In any case, the arrangement described herein can be memorialized by provisions in, or otherwise associated with, money market note 130 and term note 140, or in a separate document or contract.").

Further, that the claimed steps are carried out by a processor executing a program (as in claims 31, 35, and 59), through instructions stored on a computer readable storage medium and executed on a computer (as in claims 70-72) or implemented by a computer (as in claims 73-75), is disclosed in the specification (as described above) and the details of which would be known by one skilled in the art in view of the disclosure in the specification. In particular, the specification makes clear that the collecting and crediting may be accomplished electronically. Such activities, if conducted electronically, must *necessarily* be performed through instructions executed by a computer. Electronic transfers cannot be performed without using computers.

In the context of 35 U.S.C. § 112, sixth paragraph, the Federal Circuit has held that means-plus-function claims were valid despite the lack of an explicit disclosure of the word "computer" because one skilled in the art would know that a computer performs the functions recited in the claims. *See In re Dossel*, 115 F. 3d 942, 946 (Fed. Cir. 1997) ("Clearly a unit which receives digital data, performs complex mathematical computations and outputs the results to a display must be implemented by or on a general or special purpose computer."); *Ven-tel v. Hayes*, 982 F.2d 1527, 1533-34 (Fed. Cir. 1992) (holding that the specification meets the written description requirement; recognizing that the specification is directed to one skilled in the art;

and finding that one skilled in the art would know how to program a microprocessor to perform the necessary steps described in the specification).

In response to the Appellants' arguments, the Examiner first states, in the October 27, 2010 Office Action, that "there is not adequate support for [a] system performing the steps comprising determining whether the money market fund is fully credited." (October 27, 2010 Office Action, p. 3). Appellants first submit that none of the steps in the claims are directed to "determining whether the money market fund is fully credited." Instead, the steps in the claims recite "providing liquidity to a financial transaction . . . by . . . electronically crediting." Even if the steps in the claims were directed to determining whether the financial instruments were fully credited, the specification provides support for the notion that such determining is performed using a computer. In particular, if the terms of the money market note are embodied in electronic format, such as a data record, and the credit is represented in electronic format, which notions are fully supported in the specification as set forth above, then a computer must *necessarily* be involved in determining the extent to which the principal of the money market note is fully credited.

Further, the Examiner admits, in response to the Appellants' arguments, "that a computer may be involved in an electronic funds transfer as described in paragraph 0018 of the published specification and in embodying a money market note in an electronic format as described in paragraph 0024 of the published specification." (October 27, 2010 Office Action, p. 3). The Examiner then states, that "making an electronic funds transfer or creating an electronic record of a security in no way represents the acts recited in the claims at issue." Appellants respectfully disagree. The claims clearly recite these acts. For example, each of the claims require "crediting the payment to principal of the money market note if the principal of the money market note is not fully credited, and crediting the payment to principal of the term note if the principal of the money market note is fully credited."

Moreover, the Examiner alleges that "computers which might perform the acts recited in the specification are not necessarily the computers which would perform the acts recited in the claims". (October 27, 2010 Office Action, p. 3). To support his position, the Examiner suggests that "electronic transfers can be performed by any number of institutions making the ownership

of a computer by a person requesting such transfer, initiating the transfer unnecessary, or even utilizing a telephone communication to request the transfer". (October 27, 2010 Office Action, p. 3). The Examiner further states that "embodying a security in electronic format also does not require that the owner of the security own a computer". (October 27, 2010 Office Action, p. 3-4).

Appellants respectfully disagree. The computers recited in the specification as performing electronic funds transfers are, indeed, the computers that are involved with the crediting steps in the claims. Appellants fail to see how one skilled in the art would view the specification otherwise. The identity of the entity making the transfer request, or whether such transfer request was initiated using a telephone, is wholly irrelevant to whether the electronic funds transfer (i.e., "crediting") is performed by a computer. The claims include no notion of who owns the computer that performs the crediting or stores the security embodied in electronic format.

Finally, the Examiner frames the question as "whether a computer is disclosed to perform the steps of the invention." Appellants respectfully disagree that this is the proper test for evaluating whether the claims satisfy the written description requirement. As explained above, there is no requirement that the term "computer" be explicitly stated in the specification. Applicants respectfully submit that the Examiner's factual inquiry diverges from established legal precedent in a manner that is not supported by law.

Conclusion:

In view of the foregoing, Appellants respectfully submit that the rejections made in the

Final Office Action dated October 27, 2010 are in error and therefore should be withdrawn.

Respectfully submitted,
MORGAN, LEWIS & BOCKIUS LLP

Date: March 23, 2011   By: /Alison B. Weisberg/
                                        MICHAEL S. RYAN
                                        Registration No. 63,115
                                        ALISON B. WEISBERG
                                        Reg. No. 45,206
                                        Attorneys for Appellants

1701 Market Street
Philadelphia, PA 19103-2921
Telephone: (215) 963-5091

VIII. CLAIMS APPENDIX

Claims 1 – 34 (Cancelled)

Claim 35 A system comprising:

memory operable to store at least one program; and

at least one processor communicatively coupled to the memory, in which the at least one

program, when executed by the at least one processor, causes the at least one processor to

perform a method comprising: providing liquidity to a financial transaction in which a term note

and a money market note are issued by, upon receiving a payment for principal of the term note,

crediting the payment to principal of the money market note if the principal of the money market

note is not fully credited, and crediting the payment to principal of the term note if the principal

of the money market note is fully credited, wherein the term note and the money market note

have a same credit risk rating.

Claim 36 The system of claim 35 wherein the payment is held by a trust.

Claim 37 The system of claim 35 wherein the principal of the money market note and the

principal of the term note are secured by an asset.

Claim 38 The system of claim 37 wherein the asset is an account receivable.

Claim 39 The system of claim 35 wherein the money market note is selected from the group

consisting of commercial paper, extendible asset-backed commercial paper and an extendible

asset-backed liquidity note.

Claim 40 The system of claim 35 wherein the term note comprises a provision to receive interest

at an interest rate during a term period.

Claim 41 The system of claim 40 wherein the term note further comprises a provision for extending the term period for an extended term period if the principal of the term note is not fully credited by an expiration of the term period.

Claim 42 The system of claim 41 wherein the term note further comprises a provision for increasing the interest rate during the extended term period.

Claims 43 – 50 (Cancelled).

Claim 51 A system comprising:

      memory operable to store at least one program; and

      at least one processor communicatively coupled to the memory, in which the at least one program, when executed by the at least one processor, causes the at least one processor to perform a method comprising:

      providing liquidity to a financial transaction in which a term note is issued and a money market note is held, wherein the money market note and the term note have a same credit risk rating, and wherein a payment for principal of the term note is credited to principal of the money market note if the principal of the money market note is not fully credited and the payment for principal of the term note is credited to principal of the term note if the principal of the money market note is fully credited.

Claim 52 The system of claim 51 wherein the payment is held by a trust.

Claim 53 The system of claim 51 wherein the principal of the money market note and the principal of the term note are secured by an asset.

Claim 54 The system of claim 53 wherein the asset is an account receivable.

Claim 55 The system of claim 51 wherein the money market note is selected from the group consisting of commercial paper, extendible asset-backed commercial paper and an extendible asset-backed liquidity note.

Claim 56 The system of claim 51 wherein the term note comprises a provision to receive interest at an interest rate during a term period.

Claim 57 The system of claim 56 wherein the term note further comprises a provision for extending the term period for an extended term period if the principal of the term note is not fully credited by an expiration of the term period.

Claim 58 The system of claim 57 wherein the term note further comprises a provision for increasing the interest rate during the extended term period.

Claim 59 A system comprising:

memory operable to store at least one program; and

at least one processor communicatively coupled to the memory, in which the at least one program, when executed by the at least one processor, causes the at least one processor to perform a method comprising:

providing liquidity to a financial transaction in which a money market note is issued and a term note is held, wherein the money market note and the term note have a same credit risk rating, and wherein a payment for principal of the term note is credited to principal of the money market note if the principal of the money market note is not fully credited and the payment for principal of the term note is credited to principal of the term note if the principal of the money market note is fully credited.

Claim 60 The system of claim 59 wherein the payment is held by a trust.

Claim 61 The system of claim 59 wherein the principal of the money market note and the principal of the term note are secured by an asset.

Claim 62 The system of claim 61 wherein the asset is an account receivable.

Claim 63 The system of claim 61 wherein the money market note is selected from the group consisting of commercial paper, extendible asset-backed commercial paper and an extendible asset-backed liquidity note.

Claim 64 The system of claim 61 wherein the term note comprises a provision to receive interest at an interest rate during a term period.

Claim 65 The system of claim 64 wherein the term note further comprises a provision for extending the term period for an extended term period if the principal of the term note is not fully credited by an expiration of the term period.

Claim 66 The system of claim 65 wherein the term note further comprises a provision for increasing the interest rate during the extended term period.

Claim 67 - 69 (Cancelled)

Claim 70 A computer readable storage medium having stored thereon computer executable instructions that, when executed on a computer, configure the computer to perform a method comprising:

    providing liquidity to a financial transaction in which a term note and a money market note are issued by, upon receiving a payment for principal of the term note, crediting the payment to principal of the money market note if the principal of the money market note is not

fully credited, and crediting the payment to principal of the term note if the principal of the money market note is fully credited, wherein the term note and the money market note have a same credit risk rating.

Claim 71 A computer readable storage medium having stored thereon computer executable instructions that, when executed on a computer, configure the computer to perform a method comprising:

provide liquidity to a financial transaction in which a term note is issued and a money market note is held, wherein the money market note and the term note have a same credit risk rating, and wherein a payment for principal of the term note is credited to principal of the money market note if the principal of the money market note is not fully credited and the payment for principal of the term note is credited to principal of the term note if the principal of the money market note is fully credited.

Claim 72 A computer readable storage medium having stored thereon computer executable instructions that, when executed on a computer, configure the computer to perform a method comprising:

providing liquidity to a financial transaction in which a money market note is issued and a term note is held, wherein the money market note and the term note have a same credit risk rating, and wherein a payment for principal of the term note is credited to principal of the money market note if the principal of the money market note is not fully credited and the payment for principal of the term note is credited to principal of the term note if the principal of the money market note is fully credited.

Claim 73 A computer-implemented method comprising:

providing liquidity to a financial transaction in which a term note and a money market note are issued by, upon receiving a payment for principal of the term note, electronically crediting the payment to principal of the money market note, using a computer, if the principal of the money market note is not fully credited, and electronically crediting the payment to principal of the term note, using the computer, if the principal of the money market note is fully credited, wherein the term note and the money market note have a same credit risk rating.

Claim 74 A computer-implemented method comprising:

providing liquidity to a financial transaction in which a term note is issued and a money market note is held, wherein the money market note and the term note have a same credit risk rating, and wherein a payment for principal of the term note is electronically credited to principal of the money market note, using a computer, if the principal of the money market note is not fully credited, and the payment for principal of the term note is electronically credited to principal of the term note, using the computer, if the principal of the money market note is fully credited.

Claim 75 A computer-implemented method comprising:

providing liquidity to a financial transaction in which a money market note is issued and a term note is held, wherein the money market note and the term note have a same credit risk rating, and wherein a payment for principal of the term note is electronically credited to principal of the money market note, using a computer, if the principal of the money market note is not fully credited, and the payment for principal of the term note is electronically credited to principal of the term note, using a computer, if the principal of the money market note is fully credited.

IX. __EVIDENCE APPENDIX__

None.

X.   **RELATED PROCEEDINGS APPENDIX**

None.